

WEST VIRGINIA LEGISLATURE
EIGHTY-FIRST LEGISLATURE
REGULAR SESSION, 2013



ENROLLED

COMMITTEE SUBSTITUTE

FOR

Senate Bill No. 638

(SENATORS PREZIOSO AND PLYMALE, *original sponsors*)

[PASSED APRIL 8, 2013; TO TAKE EFFECT JULY 1, 2013.]

E N R O L L E D
COMMITTEE SUBSTITUTE
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Senate Bill No. 638

(SENATORS PREZIOSO AND PLYMALE, *original sponsors*)

[Passed April 8, 2013; to take effect July 1, 2013.]

AN ACT to amend the Code of West Virginia, 1931, as amended, by adding thereto a new section, designated §11-13A-22, relating to exemptions from the tax on the privilege of severing natural gas and oil; terminating a severance tax exemption for natural gas or oil produced from any horizontally drilled well that has not produced marketable quantities for five consecutive years immediately preceding the year in which such well is placed back into production and thereafter produces marketable quantities of natural gas or oil; providing an exception thereto; and specifying a controlling effective date.

Be it enacted by the Legislature of West Virginia:

That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new section, designated §11-13A-22, to read as follows:

**ARTICLE 13A. SEVERANCE AND BUSINESS PRIVILEGE
TAX ACT.**

§11-13A-22. Termination of exemption.

1 (a) On and after July 1, 2013, the exemption set forth in
2 subdivision (4), subsection (a), section three-a of this article
3 is void and of no force or effect with respect only to
4 horizontally drilled wells. However, if a well for which the
5 producer established entitlement to that exemption on or
6 before June 30, 2013, the exemption from tax continues for
7 natural gas or oil produced from that well for the remainder
8 of the ten-year period for which the exemption was originally
9 applicable.

10 (b) “Horizontally drilled well” means any well that is
11 drilled using a “horizontal drilling” method as that term is
12 defined in subdivision (5), subsection (b), section four, article
13 six-a, chapter twenty-two of this code.

14 (c) Pursuant to section five-p, article ten of this chapter,
15 termination of the exemption set forth in subdivision (4),
16 subsection (a), section three-a of this article on and after July
17 1, 2013, is subject to the controlling internal effective date of
18 this section and is not subject to the alternative effective date
19 provisions of section five-p, article ten of this chapter.

The Joint Committee on Enrolled Bills hereby certifies that the foregoing bill is correctly enrolled.

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Chairman Senate Committee

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Chairman House Committee

Originated in the Senate.

To take effect July 1, 2013.

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Clerk of the Senate

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Clerk of the House of Delegates

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President of the Senate

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Speaker of the House of Delegates

The within this the

Day of, 2013.

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Governor